

**ARIZONA CORPORATION COMMISSION
MEETING MINUTES**

DATE: May 20, 2004

TIME: 9:30 a.m.

PLACE: Arizona Corporation Commission, 1200 W. Washington St., Phoenix, Arizona.

ATTENDANCE: See attendance list in Attachment 1.

TOPIC: DSM WORKSHOP

MATTERS DISCUSSED:

Barbara Keene of the Commission Staff welcomed everyone. Each participant made a self-introduction. The next meeting is scheduled for June 22 in the Commission offices, Room 100.

Marc Hoffman of the Consortium for Energy Efficiency (CEE) made a presentation to the group. He spoke about what other states are doing in regard to energy efficiency, how efficiency programs can leverage one another, opportunities for Arizona to benefit by leveraging other programs, and about the CEE.

Jeff Schlegel mentioned that the Southwest Energy Efficiency Project (SWEET) will be hosting a national conference in Las Vegas on November 4-5, 2004.

The group discussed efficiency standards and building codes. Ratepayer funds could be used for training in regard to building codes.

The group discussed whether or not to bring in a guest speaker to talk about demand response. It was decided that APS would invite Dan Violette to speak about what is demand response at the June 22 workshop. Discussion about demand response at that workshop will end by 10:30 a.m.

The group discussed the draft DSM Policy:

DSM definition

Suggestions were made to label the first definition as Energy Efficiency, add a background statement about energy efficiency, and that there is a need to look at demand response.

Cost Recovery

Wording was added to state that cost recovery should be concurrent with spending.

Funding Mechanisms

The group discussed the types of funding mechanisms and added wording to clarify the proposed policy.

Cost Effectiveness

The group made major changes to this section. Marshall Hunt of RHA will bring information to the next workshop on how California quantifies environmental externalities. Both environmental externalities and how to determine the baseline will be discussed at the next workshop.

A new section on *Research and Development* will be added to the document.

Key Terms

Definitions for adjustment mechanism and the various cost-effectiveness tests will be added to this section.

Performance Incentives

The title for this section was expanded to include lost revenue.

The next DSM Workshop will be held on June 22, 2004, at 9:00 a.m.

Barbara Keene

Attendees at the DSM Workshop
On May 20, 2004

Attendee	Organization
Stephen Ahearn	Residential Utility Consumers Office
David Berry	Western Resource Advocates
Rebecca Chavez	Tucson Electric Power/UNS Electric
Tim Coley	Residential Utility Consumers Office
Dan Delurey	Demand Response and Advanced Metering Coalition
Linda Douglas	Tucson Electric Power
John Duncan	Arizona Public Service
Therese Fisher	Ecos Consulting
Charlie Gohman	Arizona Energy Office
Tom Hines	Arizona Public Service
Grant Holmes	ANL Distributors/Volttech, Inc.
Marshall Hunt	RHA
Barbara Keene	Arizona Corporation Commission Staff
Steve Koepp	AHS
Cinda LeDesma	Southwest Gas
Paul Li	Bob Lynch's Office
Chuck Miessner	Arizona Public Service
Bill Murphy	Murphy Consulting
Brian O'Donnell	Southwest Gas
Terry Orlick	Arizona Public Service
Amanda Ormond	Ormond Group
Randy Sable	Southwest Gas
Jeff Schlegel	Southwest Energy Efficiency Project
Vivian Scott	Southwest Gas
Kathy Senseman	Southwest Gas
Chuck Skidmore	City of Scottsdale
Karen Smith	Salt River Project
Jana Van Ness	Arizona Public Service
John Wallace	Grand Canyon State Electric Cooperative Association
Martha Wright	Southwest Gas